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MEMORANDUM

To: CMAP Land Use Committee

From: CMAP Staff

Date: July 17, 2013

Re: Fiscal and Economic Impact of Development Decisions Project Update

It is important for the CMAP region to have the best possible information about how fiscal policies drive land use decisions as well as the resulting impacts on the regional economy, jobs, transportation infrastructure and principles of livability as addressed in GO TO 2040. During the development of GO TO 2040, CMAP produced a State and Local Taxation Snapshot to understand the dynamics of various state and local tax policies, especially in terms of their potential impacts on development decisions and regional economic productivity. To help implement GO TO 2040, CMAP convened a Regional Tax Policy Task Force to advise the CMAP Board on issues central to state and local fiscal policy viewed through the lens of the regional economy, sustainability, equity, and the connections between tax policies and development decisions. As a follow-up to the Task Force's report to the Board, the CMAP Board requested that CMAP build on its prior work to conduct a detailed study on the fiscal and economic impacts of development decisions, with an approach that was regional in scale and included specific information and cooperation from local municipalities.

Case Studies and Fiscal Practice Interviews

CMAP staff and its consultant SB Friedman have utilized a case study approach to analyze the fiscal and economic impacts of 30 existing projects in 10 communities. Additionally, a Technical Advisory Group (TAG) comprised of local municipal and county staff, advocacy organization representatives, an academic and a local school district staff member has provided input on the analysis throughout the project. In cooperation with the TAG, CMAP staff identified and recruited 10 communities across a spectrum of locations and capacities to participate in the analysis. CMAP staff and SB Friedman identified 30 recent projects in those communities, and SB Friedman reviewed budgets, CAFRs and other appropriate documents as well as interviewed municipal and fire district staff to collect data on the fiscal impacts of the chosen projects. CMAP staff also completed phone interviews with 20 communities regarding their use of fiscal impact analyses and fiscal considerations when reviewing potential developments. CMAP staff are currently gathering data to complete an economic impact analysis.

Next Steps

Staff would like feedback from the Committee on the progress of this project. The final report will be completed in November 2013.